

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1362-01
Bill No.: HB 629
Subject: Motor Vehicles; Revenue Dept.; Transportation
Type: Original
Date: March 5, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Highway Funds	(\$746,956)	(\$1,114,087)	(\$1,136,369)
Total Estimated Net Effect on <u>All</u> State Funds	(\$746,956)	(\$1,114,087)	(\$1,136,369)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government			

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTIONS

Officials from the **Department of Transportation** and the **Department of Corrections** assume no fiscal impact to their agencies.

Officials from the **Department of Revenue** (DOR) assume this proposal provides for registration renewal tabs for passenger motor vehicles, motorcycles and historic vehicles to be placed on the windshield. This proposal also requires all commercial vehicles licensed in excess of 12,000 lbs., trailers and buses to be issued new plates each year instead of tabs.

The Motor Vehicle Bureau estimates that approximately 3,278,664 vehicles would be eligible to receive a "windshield tab" if the owner requested one.

Information received from the Department of Corrections indicates that a window sticker would cost approximately \$.37 each. The cost difference is due to the tab being placed inside the windshield and the size. DOR assumes the current year sticker would be too small to place in the inside window for law enforcement to easily detect. The state of Texas currently issues one windshield sticker to be placed in the front windshield. The size of the windshield sticker is 3 1/2" by 2 1/4". Because the state currently has a core budget for tabs the impact is based on the cost difference of \$.37 - \$.13 (current tab cost) = \$.24. Due to the implementation of biennial registrations effective 7/1/00, 50% of the total number of registrations would be eligible and of that amount, 60% would be given a window sticker each year with a 2% growth rate. Since this legislation is effective January 1, 2002, only 6 months of the registrations will be affected the first year (3,278,664 x 2%)

FY02

$3,344,238 / 12 \times 6 \text{ months} = 1,672,119 \times 60\% = 1,003,272 \times \$.24 = \$240,786 = \$240,786$
Additional Tab Costs

FY03

$3,411,123 \times 60\% = 2,046,674 \times \$.24 = \$491,202$ Additional Tab Costs

FY04

$3,479,346 \times 60\% = 2,087,608 \times \$.24 = \$501,026$ Additional Tab Costs

ASSUMPTION (continued)

DOR assumes it is the intent of this legislation to decrease the number of stolen tabs in Missouri. Statistics from the state of Texas, which is the only state that known that also issues window stickers, indicates that stolen tabs will decrease by approximately 50%. In FY00 DOR replaced 17,481 tabs due to theft. DOR estimates by FY02 the Motor Vehicle Bureau would have to replace 18,188 tabs due to theft with a 2% growth rate each year thereafter. The MVB has funding for stolen tabs at \$.13 per set. This amount is being deducted from the total cost.

FY02 = $18,188 \times 50\% = 9,094 @ 6 \text{ months} \times \$0.37 = \$1,682 - \$1,182 = \$500$

FY03 = $18,552 \times 50\% = 9,276 \times \$0.37 = \$3,433 - \$2,412 = \$1,021$

FY04 = $18,923 \times 50\% = 9,462 \times \$0.37 = \$3,501 - \$2,460 = \$1,041$

Total Additional Tab Costs in **FY02** = \$240,286

FY03 = \$490,181

FY04 = \$499,985

This legislation also requires all commercial vehicles license in excess of 12,000 lbs, trailers and buses be issued new plates each year instead of tabs. In FY00 there were approximately 500,000 tabs issued to vehicles that this legislation applies to. DOR currently pays \$.06 per tab which is already in our core budget. The impact is based on the cost of the license plate (\$1.26) minus the tab cost (\$1.26 - \$.06 = \$1.20).

FY02

500,000 license plates x 10/12 months(effective 8/28/01) = $416,667 \times \$1.20 = \$500,000$

FY03

510,000 x \$1.20 = \$612,000

FY04

520,200 x \$1.20 = \$624,240

The Motor Vehicle Bureau will also incur costs in amount of \$6,823 to change procedures, postage and flyers to citizens notifying them of the changes in tabs.

Oversight assumes the Department of Revenue can absorb the cost of procedure revision, envelopes, and postage related to this proposal from existing resources but has included the cost of printing flyers to be mailed with renewal notices.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
HIGHWAY FUNDS			
<u>Cost - Department of Revenue</u>			
Tabs	(\$240,286)	(\$490,181)	(\$499,985)
Flyers	(\$6,670)	(\$11,906)	(\$12,144)
License plates	<u>(\$500,000)</u>	<u>(\$612,000)</u>	<u>(\$624,240)</u>
Total cost	<u>(\$746,956)</u>	<u>(\$1,114,087)</u>	<u>(\$1,136,369)</u>
ESTIMATED NET EFFECT ON HIGHWAY FUNDS	<u>(\$746,956)</u>	<u>(\$1,114,087)</u>	<u>(\$1,136,369)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.


DESCRIPTION

This proposal would provide for an registration renewal tabs for passenger motor vehicles, motorcycles and historic vehicles to be placed on the windshield. This proposal also requires all commercial vehicles licensed in excess of 12,000 lbs., trailers and buses to be issued new plates each year instead of tabs.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation
Department of Corrections
Department of Revenue


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Director
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